

Public Employees Insurance Agency

Mission

Administer affordable insurance-oriented programs and quality services that protect, promote, and benefit the health and well-being of our members.

The Public Employees Insurance Agency (PEIA) works to achieve this by:

- * Improving benefits and choices for members;
- * Offering exceptional and caring customer service;
- * Providing education and awareness related to insurance and health care;
- * Advocating for members in matters that enhance being a PEIA member;
- * Implementing improved processes and updating documented policies;
- * Assisting members regarding insurance and health care benefits;
- * Administering effective and efficient programs and services;
- * Collaborating with others to improve PEIA programs and services;
- * Ensuring that claims and other requests are processed promptly and accurately; and
- * Working with providers to ensure ample access to medical services at reasonable cost.

Operations

Administration

- Prepare annual budget.
- Solicit, review, and administer contracts for third party administrators, consultants, managed care plans, optional programs, and other outside services.
- Coordinate strategic planning for PEIA.
- Develop legislative agenda, and address legislative issues and needs.
- Implement a fair and equitable rate structure.
- Prepare monthly financial statements for the PEIA Finance Board, complete annual federal reporting requirements, and assist actuary with necessary reporting.

Premium Accounts

- Receive, post, and audit premium payments for all billed accounts.
- Coordinate system design changes needed in eligibility and billing systems.
- Coordinate development of electronic reconciliation of monthly billing to amounts paid through the EPICS system, as well as with other significant payers (e.g., boards of education).

Member Services

- Administer eligibility guidelines for PEIA programs.
- Administer enrollment procedures for new and transferring enrollees.
- Administer retiree assistance program.
- Administer out-of-state waiver program.
- Provide customer service to PEIA members.
- Monitor administration of life insurance, managed care, and flexible benefits.

Health Benefits and Clinical Administration

- Review third party administrator's claim payments for accuracy.
- Review and coordinate third-level member and provider appeals with director and medical director.
- Recommend changes in benefits and benefit design based on market and technology changes.
- Monitor organ transplant network utilization and savings.
- Monitor provider billing and reimbursement methodology changes and recommend action.
- Monitor administration of the prescription drug program.
- Develop policies and procedures for health benefits and clinical administration.

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- Develop and coordinate member-centered, community-based, culturally competent, health and wellness efforts in collaboration with employer agencies, payers, and other interested parties.
- Coordinate reimbursement methodology development.
- Coordinate functions with other state agency health programs and payers for integrated services.

Operations

- Coordinate communication with customers.
- Manage internal and interfaced communications/information system.
- Document and improve operating procedures.
- Assess information systems needs for entire agency with focus on efficient use of resources with the elimination of paper.
- Oversee daily operational needs.

Goals/Objectives

Provide the best possible benefit packages to our members and increase health awareness while maintaining the inherent fiduciary responsibilities of public funds administration.

- Use PEIA's buying power in conjunction with other state agencies to develop an integrated care delivery system.
- Continue PEIA's participation in and expansion of a multistate drug purchasing pool. PEIA's goal is to maximize buying power by joining other states' health plans and achieving a five percent drop in drug costs through collaboration.
- Expand out-of-state provider networks for more access to in-network services for out-of-state retirees.
- Develop a new eligibility, premium accounting, and agency accounting system.
- Develop care management plans for persons diagnosed with certain diseases, such as the Face to Face diabetes program recently offered statewide.
 - * Enroll all PEIA members with diabetes.
 - * Improve the health status of members in the program.
 - * Reduce by 20% the health care costs of the program members.

Improve customer service and member communications.

- Continue to seek member and provider feedback.
- Administer more communication with retired employees through town hall meetings to convey the implications of the Medicare Part D plan.
- Explore further means of providing excellent customer service.
- Increase the on-line open enrollment system participation from approximately 13% to 25% by the end of FY 2007.

Increase agency accountability.

- Complete audits on both drug and medical third party administrators (TPA) during FY 2006.
- Pay 92% of claims within 12 working days.
- Correctly pay at least 99.0% of the claim dollars (financial accuracy).
- Correctly pay at least 98.0% of the claims.
- Earn the GFOA Certificate of Achievement for Excellence in Financial Reporting for the FY 2005 CAFR.

Performance Measures

- ✓ PEIA implemented an online open enrollment system last year with approximately 13% participation.
- ✓ PEIA has earned the Certificate of Achievement for the Comprehensive Annual Financial Report from the GFOA for four consecutive years (FY 1999 through FY 2003) and is awaiting judgment of the FY 2004 CAFR.

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(Performance Measures continued)

<u>Fiscal Year</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2004</u>	<u>Estimated</u> <u>2005</u>	<u>Actual</u> <u>2005</u>	<u>Estimated</u> <u>2006</u>	<u>Estimated</u> <u>2007</u>
Claims inventory*	65,327	71,803	70,000	78,691	70,000	70,000
Financial accuracy (dollars) of claims paid	99.29%	99.45%	99.00%	99.37%	99.00%	99.00%
Correctly paid claims	98.11%	98.25%	98.00%	98.38%	98.00%	98.00%

* The claims inventory data is from the last report near the end of each fiscal year.

Expenditures

	TOTAL FTE POSITIONS 11/30/2005	ACTUALS FY 2005	BUDGETED FY 2006	REQUESTED FY 2007	GOVERNOR'S RECOMMENDATION
EXPENDITURE BY PROGRAM					
Administration	58.60	\$596,743,323	\$659,328,007	\$720,436,240	
Less: Reappropriated		0	0	0	
TOTAL BY PROGRAM	58.60	596,743,323	659,328,007	720,436,240	720,436,240
EXPENDITURE BY FUND					
General Fund					
FTE Positions		0.00	0.00	0.00	0.00
Total Personal Services		0	0	0	0
Employee Benefits		0	0	0	0
Other Expenses		0	0	0	0
Less: Reappropriated		0	0	0	0
Subtotal: General Fund		0	0	0	0
Federal Fund					
FTE Positions		0.00	0.00	0.00	0.00
Total Personal Services		0	0	0	0
Employee Benefits		0	0	0	0
Other Expenses		0	0	0	0
Subtotal: Federal Fund		0	0	0	0
Appropriated Special Fund					
FTE Positions		0.00	0.00	0.00	0.00
Total Personal Services		0	0	0	0
Employee Benefits		0	0	0	0
Other Expenses		0	0	0	0
Less: Reappropriated		0	0	0	0
Subtotal: Appropriated Special Fund		0	0	0	0
Nonappropriated Special Fund					
FTE Positions		58.60	58.60	58.60	58.60
Total Personal Services		2,113,776	2,512,075	2,510,973	2,510,973
Employee Benefits		694,322	843,411	859,517	859,517
Other Expenses		1,845,763	2,500,824	2,577,100	2,577,100
Benefits and Claims		592,089,462	653,471,697	714,488,650	714,488,650
Subtotal: Nonappropriated Special Fund		596,743,323	659,328,007	720,436,240	720,436,240
TOTAL FTE POSITIONS BY FUND	58.60	58.60	58.60	58.60	58.60
TOTAL EXPENDITURES BY FUND		\$596,743,323	\$659,328,007	\$720,436,240	\$720,436,240